

## TITLE IX

## DEPARTMENT OF THE TREASURY

## BUREAU OF THE PUBLIC DEBT

GIFTS TO THE UNITED STATES FOR REDUCTION OF  
THE PUBLIC DEBT

For deposit of an additional amount into the account established under section 3113(d) of title 31, United States Code, to reduce the public debt, \$12,200,000,000.

This Act may be cited as the "Department of Defense Appropriations Act, 2001".

UNANIMOUS-CONSENT  
AGREEMENT—H.R. 4475

Mr. ALLARD. Mr. President, I ask unanimous consent that all first-degree amendments contained on the list submitted earlier must be filed at the desk by 11:30 a.m. on Thursday.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE INDEFINITELY  
POSTPONED—S. 2593

Mr. ALLARD. Mr. President, I ask unanimous consent that Calendar No. 563, S. 2593, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CERTIFIED DEVELOPMENT COM-  
PANY PROGRAM IMPROVEMENTS  
ACT OF 1999

Mr. ALLARD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 531, H.R. 2614.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2614) to amend the small business investment act to make improvements to the Certified Development Company Program, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been considered from the Committee on Small Business, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

## SECTION 1. SHORT TITLE.

This Act may be cited as the "Certified Development Company Program Improvements Act of 2000".

## SEC. 2. WOMEN-OWNED BUSINESSES.

Section 501(d)(3)(C) of the Small Business Investment Act of 1958 (15 U.S.C. 695(d)(3)(C)) is amended by inserting before the comma "or women-owned business development".

## SEC. 3. MAXIMUM DEBENTURE SIZE.

Section 502(2) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)) is amended to read as follows:

"(2) LOAN LIMITS.—Loans made by the Administration under this section shall be limited to \$1,000,000 for each such identifiable small business concern, other than loans meeting the criteria specified in section 501(d)(3), which shall be limited to \$1,300,000 for each such identifiable small business concern."

## SEC. 4. FEES.

Section 503(f) of the Small Business Investment Act of 1958 (15 U.S.C. 697(f)) is amended to read as follows:

"(f) EFFECTIVE DATE.—The fees authorized by subsections (b) and (d) shall apply to any financing approved by the Administration during the period beginning on October 1, 1996 and ending on September 30, 2003."

## SEC. 5. PREMIER CERTIFIED LENDERS PROGRAM.

Section 217(b) of the Small Business Administration Reauthorization and Amendments Act of 1994 (15 U.S.C. 697e note) is repealed.

## SEC. 6. SALE OF CERTAIN DEFAULTED LOANS.

Section 508 of the Small Business Investment Act of 1958 (15 U.S.C. 697e) is amended—

(1) in subsection (a), by striking "On a pilot program basis, the" and inserting "The";

(2) by redesignating subsections (d) through (i) as subsections (e) through (j), respectively;

(3) in subsection (f) (as redesignated by paragraph (2)), by striking "subsection (f)" and inserting "subsection (g)";

(4) in subsection (h) (as redesignated by paragraph (2)), by striking "subsection (f)" and inserting "subsection (g)"; and

(5) by inserting after subsection (c) the following:

"(d) SALE OF CERTAIN DEFAULTED LOANS.—

"(1) NOTICE.—

"(A) IN GENERAL.—If, upon default in repayment, the Administration acquires a loan guaranteed under this section and identifies such loan for inclusion in a bulk asset sale of defaulted or repurchased loans or other financings, the Administration shall give prior notice thereof to any certified development company that has a contingent liability under this section.

"(B) TIMING.—The notice required by subparagraph (A) shall be given to the certified development company as soon as possible after the financing is identified, but not later than 90 days before the date on which the Administration first makes any record on such financing available for examination by prospective purchasers prior to its offering in a package of loans for bulk sale.

"(2) LIMITATIONS.—The Administration may not offer any loan described in paragraph (1)(A) as part of a bulk sale, unless the Administration—

"(A) provides prospective purchasers with the opportunity to examine the records of the Administration with respect to such loan; and

"(B) provides the notice required by paragraph (1)."

## SEC. 7. LOAN LIQUIDATION.

(a) LIQUIDATION AND FORECLOSURE.—Title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) is amended by adding at the end the following:

"SEC. 510. FORECLOSURE AND LIQUIDATION OF  
LOANS.

"(a) DELEGATION OF AUTHORITY.—In accordance with this section, the Administration shall delegate to any qualified State or local development company (as defined in section 503(e)) that meets the eligibility requirements of subsection (b)(1) of this section the authority to foreclose and liquidate, or to otherwise treat in accordance with this section, defaulted loans in its portfolio that are funded with the proceeds of debentures guaranteed by the Administration under section 503.

"(b) ELIGIBILITY FOR DELEGATION.—

"(1) REQUIREMENTS.—A qualified State or local development company shall be eligible for a delegation of authority under subsection (a) if—

"(A) the company—

"(i) has participated in the loan liquidation pilot program established by the Small Business Programs Improvement Act of 1996 (15 U.S.C. 695 note), as in effect on the day before the date of issuance of final regulations by the Administration implementing this section;

"(ii) is participating in the Premier Certified Lenders Program under section 508; or

"(iii) during the 3 fiscal years immediately prior to seeking such a delegation, has made an average of not fewer than 10 loans per year that are funded with the proceeds of debentures guaranteed under section 503; and

"(B) the company—

"(i) has 1 or more employees—

"(I) with not less than 2 years of substantive, decision-making experience in administering the liquidation and workout of problem loans secured in a manner substantially similar to loans funded with the proceeds of debentures guaranteed under section 503; and

"(II) who have completed a training program on loan liquidation developed by the Administration in conjunction with qualified State and local development companies that meet the requirements of this paragraph; or

"(ii) submits to the Administration documentation demonstrating that the company has contracted with a qualified third-party to perform any liquidation activities and secures the approval of the contract by the Administration with respect to the qualifications of the contractor and the terms and conditions of liquidation activities.

"(2) CONFIRMATION.—On request, the Administration shall examine the qualifications of any company described in subsection (a) to determine if such company is eligible for the delegation of authority under this section. If the Administration determines that a company is not eligible, the Administration shall provide the company with the reasons for such ineligibility.

"(c) SCOPE OF DELEGATED AUTHORITY.—

"(1) IN GENERAL.—Each qualified State or local development company to which the Administration delegates authority under subsection (a) may, with respect to any loan described in subsection (a)—

"(A) perform all liquidation and foreclosure functions, including the purchase in accordance with this subsection of any other indebtedness secured by the property securing the loan, in a reasonable and sound manner, according to commercially accepted practices, pursuant to a liquidation plan approved in advance by the Administration under paragraph (2)(A);

"(B) litigate any matter relating to the performance of the functions described in subparagraph (A), except that the Administration may—

"(i) defend or bring any claim if—

"(I) the outcome of the litigation may adversely affect management by the Administration of the loan program established under section 502; or

"(II) the Administration is entitled to legal remedies not available to a qualified State or local development company, and such remedies will benefit either the Administration or the qualified State or local development company; or

"(ii) oversee the conduct of any such litigation; and

"(C) take other appropriate actions to mitigate loan losses in lieu of total liquidation or foreclosure, including the restructuring of a loan in accordance with prudent loan servicing practices and pursuant to a workout plan approved in advance by the Administration under paragraph (2)(C).

"(2) ADMINISTRATION APPROVAL.—

"(A) LIQUIDATION PLAN.—

"(i) IN GENERAL.—Before carrying out functions described in paragraph (1)(A), a qualified State or local development company shall submit to the Administration a proposed liquidation plan.

"(ii) ADMINISTRATION ACTION ON PLAN.—

"(I) TIMING.—Not later than 15 business days after a liquidation plan is received by the Administration under clause (i), the Administration shall approve or reject the plan.

"(II) NOTICE OF NO DECISION.—With respect to any liquidation plan that cannot be approved or